EXHIBIT RR

KIRKLAND & ELLIS LLP

AND AFFILIATED PARTNERSHIPS

777 South Figueroa Street Los Angeles, California 90017

Richard L. Wynne (213) 680-8202 rwynne@kirkland.com

213 680-8400

www.kirkland.com

Facsimile: 213 680-8500

July 13, 2004

VIA FACSIMILE

Timothy J. Hogan Lynch Ichida Thompson Kim & Hirota 1132 Bishop Street Suite 1405 Honolulu, Hawaii 96813

Re:

Berry vs. Hawaiian Express Services, Inc., et al.

Dear Mr. Hogan:

As I believe you are aware, I am senior bankruptcy counsel to Fleming in its Chapter 11 case. While we have not previously spoken, I was in Court last week during the argument over your motion for relief from the automatic stay.

We have had several discussions with the Official Committee of Unsecured Creditors concerning Mr. Berry's claims and litigation, and I am pleased to be able to convey to you the enclosed term sheet for a full and complete settlement. We reviewed your February 9, 2004 settlement offer, and have attempted to respond to it as directly as possible in order to accommodate Mr. Berry's position.

While we understand that previous offer has expired, we felt that it would be most productive to use that offer as a starting point. In that regard, we have offered to agree to Mr. Berry's monetary demand, and to the request for a stipulated injunction against future infringement. We have also provided a mechanism for a third party programmer to ensure that the offending software program has been properly removed from the C&S computer systems.

Please note that we do not have C&S' or the Committee's consent to the enclosed offer, although we have informed them about it and have requested their consent. We are also in the process of having a complete settlement agreement drafted for your review, but believed that providing this term sheet would facilitate our discussions.

Chicago

London

New York

San Francisco

Washington, D.C.

KIRKLAND & ELLIS LLP

Timothy J. Hogan July 13, 2004 Page 2

If possible, I would like to discuss this with you this week, and could also come to Hawaii to meet with you and Mr. Berry next Tuesday. I will be traveling tomorrow to New York, but available after 4:00 p.m. New York time on my cell phone at (310) 729-3054.

Very truly yours,

Richard L. Wynne

RLW/cm Enclosure

Settlement Communication Protected under F.R.E. 408

[PROPOSED] SETTLEMENT AGREEMENT TERM SHEET

Draft -- July 13, 2004

- 1. Wayne Berry receives one lump-sum payment of \$400,000.00 on the Effective Date of the Plan.
- 2. Core-Mark Newco stipulates to an injunction against future infringement as a condition of Plan confirmation.
- 3. All other Debtor entities and all interested C&S entities stipulate to injunction against future infringement.
- 4. C&S engages a reputable outside programmer to verify that all infringing software identified in Berry's Hawaiian preliminary injunction motion has been permanently removed from all C&S computers, including home computers of Mark Dillon and Teresa Noa.
- 5. Berry dismisses with prejudice and provides complete general releases for all defendants.
- 6. Berry withdraws all filings in Debtors' bankruptcy proceedings made on his own behalf or on behalf of entities to which he is related in any way, including but not limited to filings made on behalf of API. Berry waives and releases any and all pre- and postpetition claims.
- 7. Berry agrees not to oppose confirmation of Debtors' Plan.
- 8. No binding deal unless and until the parties sign a formal, written agreement. Until that time, all discussions and draft documents are for negotiation purposes only and no party is bound to any position in any manner.
- 9. Subject to approval of C&S and OCUC.

END